

U.S. Horticultural Exports to the Middle East and North African Countries Register 5-Year Growth

U.S. horticultural products exported to this region.

Background

U.S. horticultural product exports to the Middle East and North African countries in CY 2001 were valued at \$260 million, down 1 percent from the record value in 2000, but up 15 percent from 1997. The growth of U.S. horticultural product exports during this 5-year period has been attributed mostly to a steady increase in shipments of edible tree nuts, miscellaneous fruit and vegetable products, and fresh vegetables, excluding potatoes. Other horticultural exports, i.e., frozen, dried/dehydrated vegetables, miscellaneous prepared fruits and hops helped fuel the growth during this period. During this same period, U.S. exports of wine and wine products to these markets increased to \$1.2 million from \$770,000 in 1997, with the Middle East countries purchasing the bulk of these sales. Israel and the United Arab Emirates were the region's best customers for edible tree nut exports, with U.S. sales valued at \$30 million and \$28 million, respectively. Other important but smaller tree nut customers were Saudi Arabia (\$8 million), Egypt (\$5 million), Jordan and Lebanon (\$3 million each). U.S. exports of prepared and preserved vegetables, fresh deciduous fruits, fruits and vegetable juices and dried fruits to these markets declined slightly in 2001.

Market Profile

Marketing of horticultural products in the Middle East and North African countries takes place primarily in outdoor street stalls. These countries exhibit a growing demand by the wealthy for higher quality produce. In Egypt, there have been significant changes made recently in the marketing of horticultural produce. For example, specialty shops and supermarkets represent new and developing point-of-purchase sales outlets. Also, domestically produced vegetables, such as tomatoes, cucumbers, peppers and melons, grown under plastic, can now be supplied virtually year round by local farmers. In Yemen, tribal chiefs have been encouraging vegetable farmers producing Red Puna and Texas Grano varieties of onions to band together and market their onion crops in a consolidated manner. Reportedly, these onion growers now produce and

transport their onions in 1-ton trucks to distant city markets with great success. In Morocco, most fruits and vegetables are produced and consumed fresh, with frozen vegetables being sold only in small quantities at top-notch supermarkets. Although Morocco produces most of its own apples and pears, there is a small niche market for high quality apples and pears. Recently, Morocco imported unspecified quantities of both apples and pears from France, Chile, and Spain. Dried fruit and nuts (almonds, peanuts, pistachios and hazelnuts) are a major snack food in Morocco and are eaten preferably roasted with salt. Dried prunes and raisins are not sold as snack foods, but are cooked with beef and other dishes during special occasions, which makes these products rather seasonal. Morocco is also a large producer and exporter of fruit and vegetables.

Algeria, a smaller buyer of U.S. horticultural products, produces and consumes most of its output of fresh fruits and vegetables. However, Algeria imports some vegetables, such as onions, garlic, and fresh tomatoes, when the crop harvest falls below normal. Most fresh fruits--citrus, grapes, medlar, strawberries, pears, apricots, peaches, cherries, apples, and melons--consumed in Algeria are produced locally. Other fresh fruits, such as bananas, pineapple, kiwifruit, apples, and strawberries are imported during the off-season. Algeria also imports some dried fruits--almonds, pistachio, peanuts, raisins, walnuts and hazelnuts--when local production does not meet local demand. Canned fruits (pineapple, peaches, etc.) are mostly imported. Most canned vegetables are produced and processed by locally canneries, but some are also imported.

Key Factors Affecting the Growth of U.S. Horticultural Trade in the Middle East and North Africa

- Low price of horticultural products from neighboring and traditional suppliers;
- Strong U.S. dollar compared to regional currencies; and
- Tariffs and SPS issues.

Trade Agreements

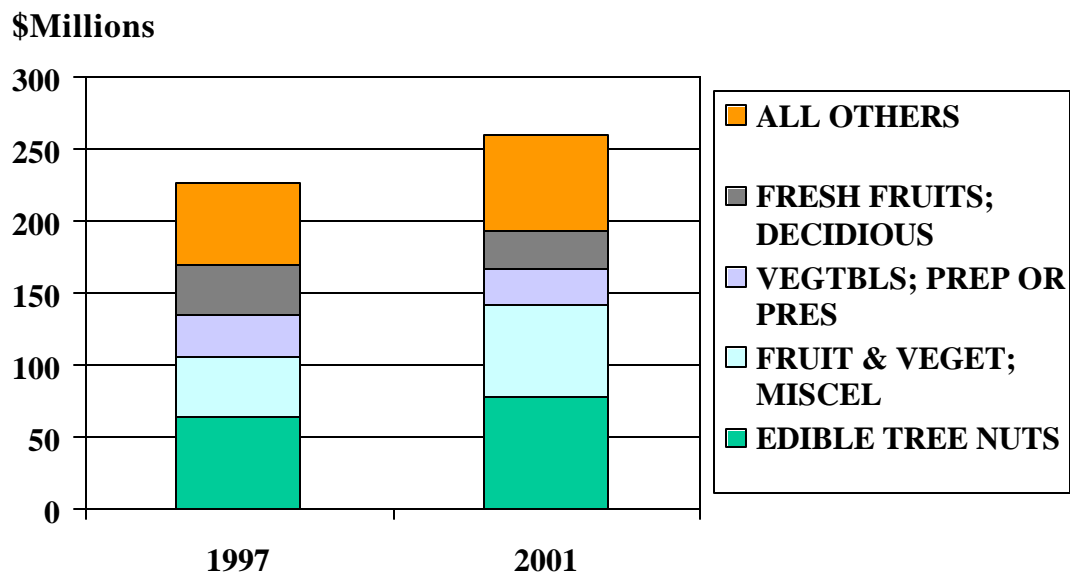
The U.S.-Jordan Free Trade Agreement (FTA), entered into force on December 17, 2001. The FTA will eliminate duties and commercial barriers to bilateral trade goods and services originating in the United States and Jordan. Current tariffs less than 5 percent will be phased out in two years. Tariffs between 5 and 10 percent will be eliminated in 4 years and those between 10 and 20 percent will be eliminated in 5 years. Tariffs more than 25 percent will be eliminated in ten years. Other provisions address intellectual property rights protection, balance of payments, rules of origin, safeguards and procedural matters such as consultations and dispute settlement.

The U.S.-Israel Agreement on Trade in Agricultural Products (ATAP), enacted in November 1996, is an auxiliary agreement to the U.S.-Israel free trade agreement. The ATAP, a 5-year agreement, was extended through December 31, 2002, to allow both parties an opportunity to negotiate in the pursuit of further improvements in the Agreement. The ATAP established 3 categories of coverage for U.S. products exported to Israel: products free from tariff restrictions; products imported free of tariffs within certain quotas; and products to be imported at a preferential rate. Among the more important products receiving duty-free treatment within tariff rate quotas (TRQ's) are chilled and frozen beef, fresh and processed

poultry, apples, grapes, pears, citrus (all types), sunflower seeds, cheese, and selected fresh and frozen vegetables. Other provisions under the Agreement call for reductions in tariffs for U.S. wine products.

On April 23, 2002, President Bush, informed His Majesty King Mohammed VI of Morocco that the United States will work with his government to enact a U.S.-Morocco free trade agreement. Specific details and/or time frame have not been developed as of yet.

U.S. Horticultural Product Exports to the Middle East and North Africa



Source: U.S. Department of Commerce, Bureau of the Census

(The FAS GAIN Report search engine contains information on U.S. Horticultural Products exports to the Middle East and North African countries. For information on production and trade, contact Emanuel McNeil at 202-720-2083. For information on marketing contact Steve Shnitzler at 202-702-8495).

**SELECTED U.S. HORTICULTURAL EXPORTS TO THE MIDDLE-EAST
AND NORTH AFRICA, CALENDAR YEAR, DOLLAR VALUE**

COMMODITY AND DESTINATION	1997	1998	1999	2000	2001
Edible Tree Nuts 1/	64,475,119	65,149,364	54,594,988	73,281,112	77,209,707
Israel	29,051,655	29,446,373	24,805,737	27,640,218	29,787,824
United Arab Emirates	16,348,868	18,694,594	15,929,030	26,320,686	28,093,344
Saudi Arabia	6,430,056	7,617,815	5,625,219	8,122,898	8,720,366
Egypt	5,384,505	4,398,825	5,468,775	5,193,732	4,725,431
Jordan	2,690,593	828,288	2,067,695	3,101,213	3,174,698
Turkey	840,177	924,846	1,035,441	1,582,061	1,633,936
Tunisia	307,300	451,156	640,684	373,075	1,487,636
Others	3,421,965	2,787,467	977,593	947,229	413,528
Fruit & Vegetables; Misc. 2/	41,796,288	53,032,609	60,867,572	63,421,252	64,704,884
Bahrain	2,106,357	1,755,143	2,380,275	2,493,057	4,188,493
Egypt	2,177,211	3,618,945	3,114,198	2,371,119	2,440,026
Israel	20,472,043	18,691,396	16,548,843	10,841,916	12,530,728
Jordan	723,518	617,536	676,756	1,774,946	1,199,398
Kuwait	823,066	3,340,671	1,738,814	4,405,550	7,074,552
Lebanon	1,409,812	1,408,661	2,536,064	4,837,983	2,060,207
Oman	793,046	1,059,187	1,177,353	1,221,196	1,913,307
Qatar	736,807	378,269	731,938	878,901	1,043,693
Saudi Arabia	6,890,278	10,162,133	17,333,355	18,011,270	16,167,575
Turkey	480,831	1,947,405	3,475,758	3,492,138	1,614,718
United Arab Emirates	4,208,583	7,792,333	9,599,516	11,743,155	14,006,442
Others	40,821,552	50,771,679	59,312,870	62,071,231	64,239,139
Vegetables; Prep. Or Pres. 3/	28,483,907	29,331,509	27,816,414	30,570,151	24,519,744
Bahrain	777,018	823,014	542,076	956,544	885,755
Egypt	405,092	390,888	591,503	218,231	318,460
Israel	4,276,534	4,394,357	5,120,252	7,102,187	4,538,207
Jordan	319,412	294,902	248,870	695,944	508,602
Kuwait	3,116,053	3,173,391	3,062,272	3,348,745	4,009,404
Lebanon	1,428,867	1,273,278	908,869	543,979	597,202
Oman	1,654,167	1,668,261	850,927	907,451	595,672
Qatar	407,410	415,767	734,265	508,517	680,780
Saudi Arabia	10,291,209	10,222,278	9,915,009	10,578,678	8,268,797
United Arab Emirates	4,779,951	5,586,653	4,873,145	3,398,762	3,630,500
Yemen	338,942	355,413	351,060	189,125	178,051
Others	689,252	733,307	618,166	2,121,988	308,314
Fresh Fruits; Deciduous 4/	34,241,616	39,871,939	40,499,986	29,458,026	27,078,781
Bahrain	462,218	555,468	590,041	1,118,716	422,820
Egypt	2,314,818	1,742,079	5,256,247	2,253,937	2,476,208
Israel	4,793,638	3,082,716	6,676,092	2,262,890	3,230,654
Kuwait	2,111,560	1,507,292	1,522,460	1,455,460	1,434,616
Saudi Arabia	14,135,153	18,445,093	15,785,454	9,825,514	6,090,000

United Arab Emirates	10,424,229	14,150,529	10,327,936	11,941,199	12,735,570
Others	0	388,762	341,756	600,310	688,913
Fruit & Vegetable Juices 5/	7,789,127	8,112,141	11,398,020	10,983,020	9,720,429
Bahrain	83,701	50,070	212,869	96,421	416,951
Israel	1,890,996	2,069,105	5,479,710	4,637,325	2,320,190
Kuwait	81,354	80,238	72,073	216,338	315,558
Lebanon	260,669	188,294	228,779	116,407	309,950
Oman	112,453	174,744	52,428	102,192	381,149
Saudi Arabia	1,433,566	1,562,733	1,663,824	1,640,687	1,406,727
United Arab Emirates	3,240,455	3,388,905	3,306,050	3,841,296	4,355,889
Others	685,933	598,052	383,108	332,354	214,015
Fresh Vegetables 6/	3,038,093	2,992,923	3,703,818	4,522,400	5,352,112
Bahrain	145,598	13,500	19,952	12,764	73,460
Israel	333,259	48,548	168,812	102,341	265,794
Kuwait	774,977	811,167	1,234,208	2,137,581	2,250,115
Saudi Arabia	147,515	129,677	156,436	307,965	425,619
United Arab Emirates	1,547,483	1,918,213	1,864,372	1,837,134	2,232,675
Others	89,261	71,818	260,038	124,615	104,449
Dried Fruit 7/	7,025,848	6,978,720	6,415,537	7,143,494	6,276,023
Egypt	973,508	950,489	978,183	1,010,184	410,091
Israel	4,203,896	4,201,132	4,240,316	4,469,551	4,711,662
Saudi Arabia	641,216	677,408	353,475	508,324	375,689
Turkey	451,405	486,437	539,111	542,454	468,459
United Arab Emirates	205,103	427,833	130,147	429,389	183,826
Others	550,720	235,421	174,305	183,592	126,296
ALL OTHERS	40,905,348	42,669,321	49,978,859	43,994,596	45,327,192
GRAND TOTAL	226,781,838	248,138,526	255,275,194	263,374,051	260,188,872

Source: U.S. Department of Commerce, Bureau of the Census. 1/ Edible tree nuts (mostly almonds, walnuts, pecans, and small quantities of pistachios); . 2/ Fruit & Vegetables; Misc (potato chips, frozen and other food preps, mixed seasonings, and beer/malt); . 3/ Vegetables; Prep. Or Pres (tomato ketchup, sauce and paste, and canned tomatoes, sweet corn and beans, and potatoes nes); 4/ Fresh Fruits; Deciduous (mostly apples and pears); 5/ Fruit & Vegetable Juices (frozen orange juice, apple and grape juice and mixed fruit juices); 6/ Fresh Vegetables (carrots, onions, lettuce, sweet corn and beans); 7/ Dried Fruit (mostly raisins/prunes, and apples).